

**Department of Labor and Industry - Current Status with HB2 4/2/13**  
**Employment Security Account**  
Fund Balance

Fund Balances, Revenues, Expenditures	FY2012	FY2013	FY2014	FY2015
Beginning Fund Balance	\$9,428,160	\$9,508,079	\$5,357,018	(\$36,306)
Revenues*	\$15,029,323	\$15,432,000	\$15,947,000	\$16,480,000
Expenditures				
Workforce Services Division	\$9,886,884	\$10,619,281	\$8,857,633	\$8,852,024
Unemployment Insurance Division	\$3,389,198	\$3,667,627	\$3,777,656	\$3,777,656
Commissioner's Office	\$247,219	\$1,314,120	\$179,072	\$179,069
Employment Relations Division	\$1,435,729	\$1,482,034	\$1,507,401	\$1,507,433
HB13			\$218,131	\$471,522
Commerce			\$800,000	\$800,000
IWT - move to UEF			(\$641,146)	(\$641,655)
JMG/CRN			\$841,577	\$847,748
Total Expenditures	\$14,959,032	\$17,083,061	\$15,540,324	\$15,793,797
Adjustments	\$9,628			
HB10 - UI Tax Modernization **		\$2,500,000	\$5,800,000	\$700,000
Ending Fund Balance	\$9,508,079	\$5,357,018	(\$36,306)	(\$50,103)

\*As estimated within MBARS/HB10

\*\* UI Tax per contract

\* Calculated without vacancies

Department of Labor and Industry - Current Status with HB2 4/2/13						
EEOC						
Fund Balance						
	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Fund Balances, Revenues, Expenditures						
Beginning EEOC Fund Balance		\$ 127,416	\$ 235,306	\$ 406,795	\$ 447,795	\$ 215,901
Revenues	\$ 268,749	\$ 210,150	\$ 227,950	\$ 195,000	\$ 195,000	\$ 195,000
Expenditures/Projection/Appropriation	\$ 141,333	\$ 102,260	\$ 56,461	\$ 154,000	\$ 425,330	\$ 425,367
Pay Plan					\$ 1,564	\$ 3,175
Ending Fund Balance	\$ 127,416	\$ 235,306	\$ 406,795	\$ 447,795	\$ 215,901	\$ (17,641)

**Difference from LFD analysis indicating \$502,000 Fund Balance available at end of FY2013**

LFD analysis didn't include CSD EEOC appropriation for FY2013

Department assumes maximum revenue at \$195,000 - 300 cases time FY2013 rate of reimbursement of \$650 -per contract

Revenue Estimate could be less or \$0 with sequestration and changes to federal contracts - other ERD federal awards have been cut 65% for the current FFY

Department can not withstand fund switch of \$250,000



March 13, 2013

Mike Cooney  
Division Administrator  
Workforce Services Division  
Montana Department of Labor and Industry  
Helena MT 59620

Dear Mike,

As you know, I have been involved with Jobs for Montana Graduates and the national parent program, Jobs for America's Graduates, for almost 20 years. It was 34 years ago that Republican Governor Pete du Pont of Delaware founded the program to address high school drop-out prevention. From the beginning the program has been completely bipartisan, it has had the support of the business community, it has held to tough and demanding bottom lines for graduation, employment and college success rates, and throughout its entire history, it has served a very high-risk population.

Governor Stan Stephens, after careful evaluations of various efforts across the country to address the challenge of high school drop-out prevention, became the founder who launched Jobs for Montana's Graduates. When I followed Governor Stephens into the office of the governor, I again carefully examined the record of performance of the program, and, based upon a thorough cost analysis, requested the Montana Legislature to significantly expand the program to include more schools and American Indian students in Montana. The Legislature, at that time, reevaluated the program and fortunately agreed with my request. I believe the Legislature found at that time that the minimal investment in prevention overwhelmingly saved future social welfare costs that would otherwise flow inevitably in the years ahead.

My understanding is that the same impressive results are produced by the program that we first experienced two decades ago. The only difference, from what I can conclude, is that Montana's efforts over the years have achieved increasingly higher success rates.

Presently Jobs for Montana's Graduates (JMG) serves approximately 1,100 students in 50 schools at an average cost of \$515.00 per student. But, it is also true that a JMG graduate who works full-time earning \$10.00 per hour repays, in income taxes, the cost of the senior program in 14 months. In addition, it is encouraging to me that Montana is one of the great success stories across the 32-state JAG National Network. JMG, serving the high-risk populations that it does, is at the very top nationally of the high-performing JAG organizations with a better than 98 percent graduation rate. But, the story doesn't end there. Montana also has well over a 94 percent success rate in helping our very high-risk youth in the job market, move on to college, serve in the military, or a combination of all of those possibilities.

Mike, I realize that establishing priorities and funding the operations of state government is an extremely difficult balancing act, and that the demands and pressure upon our legislators to make decisions with small margins for error has never been greater. I certainly would not presume to substitute my judgment for theirs, but I can assure them that my decision to support JMG was one of the best, most cost-effective and important decisions I ever made.

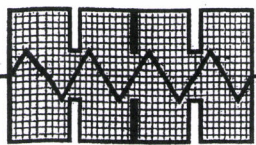
I served as the national chair of JAG for several years, at the end of my time in office and thereafter. I traveled all over the country to observe the program in operation and still remain attached to the national JAG board. I did so with business leaders, educators, state legislators, members of Congress and governors from both political parties. We all worked as hard as we could together because we witnessed first-hand the profound and positive life-altering results JAG programs produced in the lives of young people across the country. The cause really is that worthy and impressive.

Sincerely,

A handwritten signature in blue ink, appearing to read "Marc Racicot", with a stylized flourish at the end.

Marc Racicot





**HI-HEAT  
INDUSTRIES, INC.**

256 Hanover Road  
Lewistown, MT 59457

406-538-7411  
FAX 406-538-3152

February 14, 2013

Mr. Mike Cooney  
Division Administrator  
Workforce Service Division  
PO Box 1728  
Helena, MT 59624

Dear Mike:

Hi-Heat Industries is a custom manufacturing company of electric heaters used in original equipment manufacturing, production processes, and/or military targets. We increased from 75 employees January of 2012 to 100 employees as of January 2013. We started hiring in June of 2012 and it took us until January of 2013 to achieve the necessary employees to continue fulfilling the contracts we had won.

In 1994, 1998, 1999, 2006, 2008, and again in 2012, we have had to increase the number of employees drastically. It would have taken us much longer without the Job Service to complete the hiring and would have impacted our ability to meet on time delivery and our ability to grow.

Hi-Heat Industries would like to add our support for the local Job Service in Lewistown. While we have an HR department, the local Job Service guides new applicants to us. About 50 to 60% of the local applicants we see come through the Job Service. The Job Service does standard typing and Excel testing. They collect applications for us. Most importantly, the Job Service acts as the central location for applicants to find employment in Lewistown. For people moving into Lewistown, the Job Service becomes a first stop for locating potential employers. Eighty percent or higher of people relocating come to us through the Job Service.

Through the Job Service Employers' Committee, the ABC Clinic continues to come to Lewistown and at least one additional training seminar happens in Lewistown annually. This brings training to the community that would otherwise not happen. It also is very cost effective training.

The Job Services in our smaller communities provide critical services that small businesses otherwise could not access. There are no private employment or temp agencies for us to utilize. They are resources for human resources assistance.

In closing, we would like to thank you maintaining our local Lewistown Job Service and running an excellent state Workforce Service.

Sincerely,

Susan Knedler  
General Manager

Feb. 14, 2013

To Whom It May Concern,

My name is Melanie Cross . My husband Andy Hurst and I own Camas Creek Yarn LLC on Main Street in Kalispell. Two years ago we learned about the Incumbent Worker's Training Program from Cathy Allard, Workforce Consultant at the Flathead Job Service. We applied for and received three grants from IWT in the 2012 fiscal year. These grants have completely changed the way we operate our small business.

We received funding for Andy to learn enough website development and operation to take over handling our website. Paying a technician to manage our website was one of our biggest and most frustrating business expenses, and we're thrilled to now have the flexibility and control that in-house operations bring us. We can use the knowledge he gained from his IWT grant to market ourselves online and keep our website current.

We also used IWT funds to continue training one of our employees, Meche Ek, who is from Germany and had a bookkeeping background. We paid for online classes from Flathead Valley Community College to begin getting her up to date with American bookkeeping practices, and then used the IWT grant to provide her with intensive in-house training. She now handles all the bookkeeping for Camas Creek Yarn, which frees me to focus on the other business details that were getting shoved aside when I was constantly buried in my books. As a result, the store is up to date on the books and functions much more smoothly and professionally.

Three years ago I applied for a license to design, manufacture and market knitting kits that allow knitters to make garments featuring official university logos. This business sideline of Camas Creek Yarn has kept me very busy ever since. We now produce collegiate knitting kits for 17 universities, with more in development. I applied for and received IWT funding which I used to make a business plan for this new venture with our accountant. We worked together to set wholesale prices, discussed best marketing plans for our nation-wide distribution of collegiate knitting kits, and set up sales projections that allowed me to apply for loans to produce the kits. This information was invaluable in getting the collegiate line off the ground.

I am very grateful for the grants provided by the Incumbent Worker's Training Program. The training we received through the program changed Camas Creek Yarn LLC into a more productive and efficient small business.

Melanie Cross, owner  
Camas Creek Yarn  
Kalispell, Montana  
(406) 755-9276



5 Feb 2013

To Whom It May Concern,

I am writing this letter as a brief follow up regarding my experiences with the IWT Bear (Business Expansion & Retention) Grant program and the OJT Funding.

A couple of years ago, I was made aware of the IWT Bear Grant and recently found out about the about the OJT funding and was subsequently put in touch with Mike Jackson, Mora McCarthy and Pam Haglund with the Flathead Job Service. The timeliness and professionalism these individuals exhibited by making arrangements to personally meet me, visit my studio and share knowledge of the different programs available to a small and growing business was extraordinary. They each paid keen attention to my business' needs, my own personal needs for further education, and my need for more employees.

After assessing that my business would be a good candidate for the BEAR program, Mike Jackson provided me with all of the necessary paperwork and met with me a number of times throughout the application process to ensure that I all of my questions were answered and that my application was correctly completed. The whole paperwork process took less that 3 hours to complete and my application was approved shortly thereafter.

The OJT funding took a bit more work, as I needed to find the right individual for the job. However, once the individual was found, and subsequently found to fit the parameters of the program, the paperwork was finalized and pushed through in a timely manner by Pam Haglund.

With the IWT Bear program funding, I was able to send myself to a two-week workshop in Helena, MT, that was held by world-renowned ceramic artist Richard Notkin. The workshop focus was on the direct application of mold making and slip casting of said molds and how they can be directly applied to an artists work. In my case, the application of making molds and slip casting my designs would allow me to mass produce the pieces that I am currently making by hand (of which I cannot meet the demand for); increasing not only my production scale but also efficiency. The skills that were taught had a direct and immediate impact on my business.

How has this training impacted my business? Now just two years later, 90% of my business is my handcast beer growler line. I presently cast approximately 50 growlers per week and cannot keep up with demand. I have expanded my sales nationally and internationally, and have had exponential increases in sales each month for over a year. I have also trained an employee and have hired 2 additional part time employees.

One of these part time employees was hired through the OJT program. Is presently being trained in all aspects of the my job and upon completion or training in a few months will continue on as a full time employee who will be in charge of my to be new hires - as we continue to expand.

In conclusion, the experience of applying for IWT funds and OJT funding was simple and straightforward. The assistance and guidance that I received from Mike Jackson, Mora McCarthy, and Pam Haglund was amazing; they each possess a deep sense of community service and enthusiasm for helping local businesses succeed. I have recommended this program to many of the small business owners that I know and hope



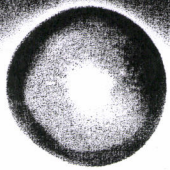
that the necessary funding at the state level continues to be supported. I have personally had a wonderful experience with the IWT Bear and OJT programs and look forward to taking advantage of further opportunities they may provide in the future. The ramifications of the training I have already received, as it relates to my business has been invaluable and the funding made available to train an outstanding new employee has been paramount to my business' continued success.

Thank you for your time. If further questions or needed testimonials as to the benefits of this program arise please feel free to contact me.

Sincerely,

(signed)

Tim Carlburg  
Owner - Carlburg Pottery, LLC  
Kalispell, MT  
1-406-257-4075  
tim@carlburgpottery.com



blue marble

5013 Hwy South, Missoula, MT 59805 BLUEMARBLEBIO.COM

February 11, 2013

Dear Montana State Legislature,

We regret that we could not attend in person, but we wanted to provide written testimony to the importance of the Missoula Job Service in supporting local businesses in helping both find and train employee's. Due to the relative geographic isolation of Missoula and all of Montana from major population and education centers, job training and placement services are vital for both the recruitment and growth of business in our state. Many of the industries that match well with Montana's cultural, geographic, and resource profiles require specialized staff. The skills necessary for success are not routinely taught in the education system and some aspects of these job skills can only be gained through direct experience.

The Missoula Job Service has been instrumental to Blue Marble Biomaterials growth trajectory for Montana based expansion. The On The Job Training (OJT) and Incumbent Worker Training (IWT) programs have been vital in allowing us to not only hire more staff, but also provide those staff members with specialized training and skills through our own training programs or those of our partners. As a start up company the budget for new hires is much smaller than that of most other companies within established industries and revenue streams. By utilizing the OJT program we have hired 3 of our 18 employees and in turn this allowed us to have the resource from each OJT to hire a minimum of one other. We would not have been able to bring these valuable employees on board if it had not been for the funding we received from this program, which gave us the time and resources to adjust our budgets to allow us to maintain these employees and keep hiring additional staff.

Blue Marble Biomaterials has also utilized the IWT program. This program has directly assisted 7 employees to date with outside training and travel. By the funding of these trainings and the travel associated with them, Blue Marble Biomaterials has gained knowledgeable and highly trained employees without undue financial hardship, bringing knowledge bases back to Montana where they did not exist before. Without the funding received by the IWT program, we would not have been able to send these employees to the trainings, and would have slowed and delayed our growth and expansion plans.

Recently we used the STEP program to hire an intern that, without this program, we would have not been able to hire. This employee is very valuable to our company and its success, and because of the three-month funding period, we were able to hire him and plan for his future with Blue Marble Biomaterials.

We have also been able to utilize free trainings and resources provided by the Missoula Job Service. The staff is knowledgeable and extremely helpful when we have questions or are in need of some sort of grant or funding to continue to grow. The Missoula Job Service and its programs have been beneficial to the success Blue Marble Biomaterials has seen this past year.

In conclusion, we see Missoula Jobs Services programs and capabilities vital for the economic health of not only Missoula but all of Western Montana, allowing companies to train Montanans in skills that are not readily available in the workforce and benefiting the community by not only putting people back to work but giving companies the resources they need to succeed.

Sincerely,

James Stephens



JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

February 15, 2013

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01:13:04 Ms. Wilkinson, LFD

[EXHIBIT\(jgh34a03\)](#)

01:16:04 Chair Osmundson

01:16:25 Ms. Wilkinson, LFD

01:16:39 Sen. Buttrey

**Health Care and Benefits Division**

01:16:57 Ms. Wilkinson, LFD

[EXHIBIT\(jgh34a04\)](#)

[EXHIBIT\(jgh34a05\)](#)

01:19:50 Chair Osmundson

01:19:57 Russ Hill, Administrator, Health Care and Benefits Division, DOA

01:20:35 Chair Osmundson

01:20:41 Mr. Hill, DOA

01:20:56 Ms. Wilkinson, LFD

01:21:35 Mr. Hill, DOA

01:22:25 Ms. Wilkinson, LFD

01:23:37 Sen. Wanzenried

01:23:49 Mr. Bruno, OBPP

01:24:44 Sen. Wanzenried

01:25:00 Ms. Wilkinson, LFD

[EXHIBIT\(jgh34a06\)](#)

[EXHIBIT\(jgh34a07\)](#)

01:27:44 Chair Osmundson

01:27:57 Ms. Wilkinson, LFD

01:28:11 Chair Osmundson

01:28:16 Meeting recessed.

01:50:17 Meeting resumed.

01:50:19 Ms. Wilkinson, LFD

[EXHIBIT\(jgh34a08\)](#)

01:51:33 Chair Osmundson

01:51:37 Ms. Wilkinson, LFD

[EXHIBIT\(jgh34a09\)](#)

[EXHIBIT\(jgh34a10\)](#)

**Department of Labor and Industry**

01:52:11 Pam Bucy, Commissioner, Department of Labor and Industry (DLI)

[EXHIBIT\(jgh34a11\)](#)

**Public Testimony**

01:57:23 Riley Johnson, Montana State Director, National Federation of Independent Business (NFIB)

01:59:35 Glenn Oppel, Government Relations Director, Montana Chamber of Commerce

02:00:00 Yenta Jaques, Teacher, Jobs for Montana's Graduates (JMG), Paris Gibson Education Center

[EXHIBIT\(jgh34a12\)](#)



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02:03:42 John Sisson, Self

[EXHIBIT\(jgh34a13\)](#)

02:06:57 Cory Buckley, Student, JMG, Paris Gibson Education Center

[EXHIBIT\(jgh34a14\)](#)

02:11:01 Patrick Engle, Training Director, Montana Electrical Joint Apprenticeship Training Council

[EXHIBIT\(jgh34a15\)](#)

02:13:32 Jimmie McKay, Self

02:16:22 Ana Torres, Graduate, JMG, Paris Gibson Education Center

[EXHIBIT\(jgh34a16\)](#)

02:18:59 James Grunke, President, CEO, Missoula Economic Partnership

[EXHIBIT\(jgh34a17\)](#)

[EXHIBIT\(jgh34a18\)](#)

02:20:56 Alicia Moe, Owner, General Manager, Cream of the West, Small Private Employer

[EXHIBIT\(jgh34a19\)](#)

02:24:17 Bob Upton, Small Business Owner

[EXHIBIT\(jgh34a20\)](#)

02:28:57 Stan Senechal, District Manager, SimplexGrinnell

[EXHIBIT\(jgh34a21\)](#)

02:31:37 Ashleigh Montminy, Office Manager, Alcom LLC

02:33:40 Sharon Souther-Boutilier, Human Resources Director, Centene Corporation

[EXHIBIT\(jgh34a22\)](#)

02:37:45 Jan Begger, Passages Women's Correctional Program, Alternatives, Inc.

[EXHIBIT\(jgh34a23\)](#)

02:40:38 Deb Halliday, Policy Advisor, Montana Office of Public Instruction (OPI)

02:42:37 Steve Arveshoug, Executive Director, Big Sky Economic Development

[EXHIBIT\(jgh34a24\)](#)

[EXHIBIT\(jgh34a25\)](#)

02:45:09 Inga Lake, Co-Owner, Chief Financial Officer, Agape Home Care

02:47:57 Celena Winegar, Student, JMG, Helena High School

[EXHIBIT\(jgh34a26\)](#)

02:49:35 Jolene Bach, Vice-President, Great Falls Development Authority (GFDA)

[EXHIBIT\(jgh34a27\)](#)

02:51:34 Brian Coldiron, Veteran, Butte Job Service

[EXHIBIT\(jgh34a28\)](#)

02:55:25 Phil McLendon, Teacher, JMG, Frenchtown High School

[EXHIBIT\(jgh34a29\)](#)

02:58:02 Aaron Hillman, Plant Manager, Specified Fittings, Bitterroot Job Service

[EXHIBIT\(jgh34a30\)](#)

02:59:52 Marsha Paulson, Senior Vice President, BioScience Laboratories

[EXHIBIT\(jgh34a31\)](#)

03:02:11 Liz Moore, Montana Nonprofit Association

[EXHIBIT\(jgh34a32\)](#)

03:05:02 Steve Nelsen, Montana Conservation Corps (MCC)

03:06:56 Lisa Parker, Teacher, JMG Specialist, Helena High School

[EXHIBIT\(jgh34a33\)](#)

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03:09:00 Jean Branscom, Executive Vice President, Montana Medical Association (MMA)  
03:12:32 Carol Erickson, Public Member, Board of Medical Examiners  
03:15:02 Ms. Wilkinson, LFD

ADJOURNMENT

Adjournment: 03:15:24

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Molly Miltenberger, Secretary

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Additional Documents:

**EXHIBIT**([jgh34aad.pdf](#))